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ABSTRACT

Advances that have been made in knowledge about a number of situational dimensions that affect the income and labor market activity of disadvantaged workers are indicated in this literature review. The need to learn more about the force that make it possible for some workers to break out of the cycle of poverty while others remain at the botton is mentioned. Some of the major variables considered are rural vs. urban background, race-ethnicity, education, age, wife's educational level, wage rates and salaries, marriage, family size, other income, health problems, housing, type of industry, training, welfare, and illegal activity. The need for studies that will synthesize the hypotheses presented by looking at the strengths and patterns of empirical relationships, which form when all of the situational variables in the review are simultaneously analyzed, was indicated. (PS)

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DETERMINANTS OF LABOR FORCE PARTICIPATION OF LOW-INCOME WORKERS: REVIEW OF THE LITERATURE

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DETERMINANTS OF LABOR FORCE PARTICIPATION OF LOW-INCOME WORKERS: REVIEW OF THE LITERATURE

Introduction

Although the United States is the richest nation in the world, 12.5 percent of its people live in poverty (U.S. Bureau of the Census 1972 b:1). Approximately 57 percent of the nation's poor are found in metropolitan areas (U.S. Bureau of the Census, 1972 b: Table 3). Creating metropolitan communities that will provide a decent standard of living for all residents is one of the major domestic challenges of our time.

Many believe that full employment in steady, well-paid jobs is the only final answer to the economic and social problems of the city. If the labor force drop-outs, the unemployed, and the underemployed obtain good jobs with satisfactory wages, their status and income will enable them to keep their families together, to seek better schools, and to demand better housing. Also, full and efficient use of urban manpower eliminates many of the conditions that generate crime and revolt.

Two basic conditions must occur before disadvantaged workers can get satisfactory jobs. First, higher level employment opportunities must be made available to all who can qualify. Second, the disadvantaged must have the motivation, work habits, skills, and physical capacity to find and perform these jobs. In this paper attention is focused on the problems in achieving the latter condition.

Federal manpower programs in vocational training, basic education, subsidized employment, income maintenance, and other services have been initiated to compensate for the handicaps of ghetto workers. Unfortunately,

societal resources for upgrading worker skills and employability are limited. Furthermore, even the availability of funds does not guarantee complete success for a program. As a result, policymakers continue to seek more efficient and effective strategies for combating the deficiencies of ghetto life.

Choosing among alternative approaches and designing better programs requires knowledge about the causes of employment problems and the impact of current manpower efforts. Manpower administrators are already well aware of the many social and economic problems that plague ghetto workers. However, much still needs to be learned about the relative importance of these various handicaps and the complex interrelationships that produce barriers to employment. How do the various dimensions of ghetto background combine and cumulate to cause an individual to perform poorly in the labor market? And when manpower services are rendered, what is their influence on the poverty worker's role?

The purpose of this paper is to review existing knowledge about the social characteristics that affect the income and labor force participation levels of disadvantaged urban male workers. It is hoped that this summary will help to provide a foundation for efforts to interrelate the multiplicity of relevant variables into a more unified and comprehensive theory of urban poverty.

The Culture of Poverty

The persistence of poverty has been analyzed from a variety of perspectives. A number of writers have approached poverty in cultural terms: the "subculture of poverty," "lower-class subculture," or

"slum culture." According to this view, poverty groups are similar not only in income, but also hold similar values, beliefs, and norms which may lead to habit patterns that reinforce and generate further deprivation. (See, for example, Lewis, 1961; Moynihan, 1965.) This self-perpetuating, self-defeating subculture is seen by many "culture of poverty" theorists as virtually autonomous--separated from the culture of the surrounding society.

By the age of six or seven, children in the subculture develop a sense of resignation or fatalism and an inability to put off satisfaction of immediate desires in order to plan for the future. This "value-attitude system" and response pattern is linked with low educational motivation, inadequate preparation for a job, and lack of incentive to work--conditions that perpetuate unemployment, poverty, and hopelessness. The conclusion, therefore, is that the key to raising the standard of living of the poor is to change their subculture (norms, values, life-style, and motivations) to the middle-class pattern.

Critics argue that this perspective is quite limited because it often fails to view the poverty group in relation to the class structure, community, and broader culture that surround it.[1] For example, Harrison (1972:210) writes:

> The elitist presumption that the inability to "make it" in American society--or at least in the labor market--is a direct result of personal incapacities on the part of workers constitutes one of our most unfortunate national myths. If the returns to education and training of ghetto workers are less than we would expect from previous studies on the subject, then the answer may lie in the attitudes and institutions--including institutional racism--of those who must employ or work beside the black and the poor.

Thus, many of the supposed "culture of poverty" traits may not be the type that are passed down as part of a world view, but, instead be practical responses to deprivation as it is structured within a contemporary social system. The behavior, attitudes, and values of the poor may be manifestations of broader cultural patterns that are adapted to a particular social situation rather than simply the personal failings of the individuals.

The Functions of Poverty

Gans (1972) believes that poverty continues because the poor are actually functional (economically, politically, and socially) for the affluent classes. Some of the economic functions include: 1) doing the "dirty work" for the economy; 2) being forced to work for low wages, thus enabling the affluent to use the money saved in this fashion for other purposes; and 3) buying goods which others do not want (deteriorating automobiles and buildings, second-hand clothes, etc.), thus prolonging their economic usefulness.

Gans recognizes that poverty has many dysfunctions, not only for the poor themselves, but also for the more affluent (e.g., paying higher taxes to support welfare), but he doubts that they outweigh the functions. Poverty persists because the functional alternatives which would make poverty unnecessary would require the affluent to give up some of their income and power--something they are unlikely to do--and the poor alone lack enough power to change the system of social stratification.

Objective Poverty Characteristics

One can define a poor worker's social position in terms of a whole set of objective characteristics (low income, little education, poor

health, residence in a slum neighborhood, etc.) which function as constraints, providing few behavior alternatives, at least in the occupational sphere. These objective or situational factors alone can be viewed as mutually dependent, forming a vicious circle in which each factor acts on the others in such a way that it preserves an individual's inferior position in the social structure (Rushing, 1972:44).

Therefore, even assuming that a worker is ambitious and work oriented, the structure of his situation may prevent him from being able to take advantage of the opportunities that may be available. This theory of "cumulative disadvantage" predicts that regardless of their subculture norms, it is difficult for many lower-class persons as individuals to improve their station in life because of the objective socioeconomic external attributes which characterize their class position.

This paper will discuss the poor primarily in terms of their situational rather than their subcultural traits, recognizing, however, that the two may be interrelated. The current research on this topic suggests a number of basic situational variables that seem to affect the labor market performance of urban workers. The following review summarizes some of the most important hypotheses generated and tested by studies of these determinants.

Rural versus Urban Background

Contrary to the beliefs of many public leaders and citizens, studies indicate that American workers who migrate from country to city generally improve their socioeconomic standing (Blau and Duncan, 1967; Lansing and

Morgan, 1967; Price, 1969). Even the poorest rural-to-urban migrants are able to surpass financially the level of rural nonmigrants of identical age, educational level and race (Blevins, 1971).

It has been found, however, that rural migrants to small towns are more successful in achieving a higher socioeconomic standing than are migrants to the large cities (Blau and Duncan, 1967; Rieger, 1972). And while some gains are made by the poorest migrants to the city, they still find many barriers in the ghetto that prevent satisfactory employment (Schwarzweller, et al., 1971:123-124).

When the occupational status of males raised on the farm is compared with the status achieved by males with nonfarm backgrounds the statistics reveal that the latter group is more successful (Reiss, et al., 1961). The differences in achievement levels of the two groups appear to be caused by differences in their educational attainments (Blau and Duncan, 1967:290-292; Haller, 1968; Hathaway, et al., 1968:150).

Featherman's (1971) research suggests that residential background affects the socioeconomic achievements of metropolitan workers in the following way. A white male with farm or rural rearing rather than an urban background is more likely to start out with two serious handicaps: 1) a father with a

relatively low occupational status; and 2) a large number of brothers and/or sisters. These constraints lower the rural male's educational attainment, which, in turn, inhibits his occupational success. Featherman's (1971:107) results show that "when the father's occupational status, size of the family of origin, and years of schooling completed are controlled statistically, the residential variable has no direct, net effects on successive occupational and income career achievements."

Duncan (National Manpower Conference, 1968:100) argues that a majority of the farm migrants (not including racial and ethnic minority populations and Appalachian whites) in the city actually do "better than the urban native, providing you consider urban natives who are comparatively disadvantaged in terms of socioeconomic status of their families."

The literature is contradictory regarding the ability of rural-bred manual workers to adapt to urban industry and the resulting consequences for their labor-force participation rates. One position is that rural people leave their homes and obtain work in the city only because the technological and economic changes in agriculture have forced them off of the farms and out of the small towns. Having been socialized for a rural environment, they find urban factory life restrictive, bureaucratized, and alienating, with the result that they are frequently absent from work and unemployed (Mayo, 1945).

A second position hypothesizes that rural people, when given the opportunity, happily leave their home communities to obtain employment in urban industry. They feel that the gains they make in income and leisure time far outweigh the advantages (e.g., work autonomy) they lose by giving up farm employment (Schwartzweller, et al., 1971). Consequently, they are willing to adapt to the discipline and other dimensions of the factory social system, quickly

becoming reliable, commited workers with low absentee rates and unemployment rates, comparable in accomodation to the levels achieved by urban-reared employees. (Form, 1971; Whyte, 1955:42).

Schwarzweller and his associates (1971) have shown that white rural-to-urban migrants from Appalachia are able to make the personality and social adjustments to an industrial work environment because of the assistance of a supportive kin network and considerable knowledge of the job situation they will be facing. However, even among these migrants of modest educational and income background there is a class structure, and those of higher social status are able to achieve greater occupational success.

Race

It is well-known that to be black or Mexican-American in this country can have a negative effect on one's occupational success. White workers experience higher participation in the labor force than non-white men (Bowen and Finegan, 1966; Cohen, et al., 1970:28-30). Mooney's (1967:107-109) study of poverty areas found higher labor force participation for poor nonwhite males than for poor white males; but part of the reason was that the white poor population contained a larger proportion of persons in the retirement years (65 and older). In addition, the white poor may have greater employment disabilities than their black counterparts because many of the latter may be unemployed simply because of discrimination. Hill (1971, Table 3) also found higher labor force participation for Negro poor than white poor. For the nonpoor, however, whites had a higher rate than Negroes.

Mexican-American male workers in the Southwest have a lower labor force participation rate (and income level) than Anglos (Grebler, et al., 1970: 20-21), and foreign-born Mexican Americans experience still lower income and

and labor force participation levels than Mexican-Americans of native parentage (Grebler, et al.:31). However, in the urban areas of the Southwest in 1960, Mexican-Americans had a slightly higher labor force participation rate than nonwhites (Grebler, et al., 1970:206).

Further differences for blacks and Mexican-Americans are considered in conjunction with some of the variables discussed below.

Education and Race

As already indicated in the discussion of farm-nonfarm background, educational attainment is an important predictor of occupational success. Its influence, however, is altered by various conditions. For blacks, labor market success does not correspond very closely to variations in relative educational attainments (Bergmann and Lyle, 1970; Friedlander - cited in Manpower Report of the President, 1971:93; Taylor, 1968; Michelson, 1968, 1969; Weiss, 1970). Hanock (1967) found that blacks universally realized lower income returns from education than whites and that these returns were negligible for the 9-11 years of school category. Harrison's (1971, 1972) data showed low or insignificant income returns from education for blacks outside of as well as in the ghetto, while ghetto and nonghetto whites, in contrast, realized significant returns to educational investment. Increases in educational attainment brought lower income gains for Mexican-Americans in the Southwest than for Anglos, and the income differential tends to widen as educational attainment increases (Grebler, et al., 1970:19-20). However, Mexican-American male workers have higher earnings than blacks, when controlling for educational attainment. In other words, the same amount of schooling has paid off better for Mexican-Americans than for blacks.

Bowen and Finegan (1966) discovered a positive relation between years of school and labor force participation for both whites and nonwhites, but the level was lower for nonwhites than for whites. In a study by Hill (1971) White and nonwhite, nonpoor males (family heads, 25-54 years old who worked one week during the previous year) exhibited a positive relationship between educational attainment and labor force participation. For poor males, however, it was a different situation. The whites showed a positive relationship between years of schooling and labor force participation up to grade 8 only. After this level the quantity of labor supplied fell off. For the black poor, years of schooling did not have a significant effect on labor force participation at all.

Blau and Duncan's (1967:210) analysis indicated that educational attainment led to greater upward mobility for white males than for black males (except college-educated blacks).

Dual Labor Market and Education

The existence of a dual labor market which stratifies workers into primary and secondary jobs must be recognized in order to understand the influence of education on income level. In contrast to primary jobs, secondary jobs are those in which practically no skill is required. They are not part of a structured system of upward mobility. They provide low pay, may be part-year and/or part-time, non-union, and have few, if any fringe benefits.[2] Gordon (1971:Chapters 3 and 5) found that increases in educational attainment provide little or no increases in income to secondary workers throughout their careers. For workers in these jobs, "educational makes little difference,

either in their manifest productivities or in their (negligible) chances for promotion (Gordon 1972:117)." A detailed description of the dynamics of the secondary labor market with respect to black workers is presented by Liebow (1967).

Educational Level of Wife

According to Hill's (1971:386) findings there is a positive relationship between educational level of the wife and the labor force participation of white male family heads (poor and nonpoor), but no significant relationship for black family heads. Since the evidence is that a wife increases her labor market activity with increases in educational attainment (Cohen, et al., 1970:77-81), Hill suggests that for white families the husband's and wife's labor market activity are complementary. For blacks, on the other hand, Hill believes that education of the wife does not affect the head's supply of labor, in part, because the black husband's and wife's labor market activity are substitutes (i.e., the more the wife works the less the husband works, and vice versa).

Education and Age

It is well known that older men and youths supply less labor than prime-age workers (Cohen, et al., 1970:28). Looking at the relationship of education to age one finds that youths who graduate from high school participate more than nongraduates even with controls on age (Cohen, et al., 1970:147). Prime-age males (25-54 years) with higher educational achievement are more likely to be employed than those with a lower educational level, but there is not a great deal of difference between those in educational categories 9-11 years of school on up the scale (Bowen and Finegan, 1966). Finding that

well-educated workers are less likely to reduce their labor force participation with age, Cohen and colleagues (1970:145) suggest that the well-educated are least likely to have outdated skills, be unable to meet the physical requirements of their work, or have a desire to quit their type of work role.

Education and Personality

Some writers believe that those who do better in school, and therefore end up with more years of schooling may fare better in the labor market, not primarily as a result of their educational achievement but because they have the personalities most suitable to certain kinds of jobs in large organizations (Berg, 1969; Gintis, 1969 and 1971; Gordon, 1971:121). Gordon (1971: 121) suggests that "since it is presumably much more difficult to change personality structures than to change reading scores, one cannot very blithely assume that increasing the educational achievements of the poor will automatically increase their incomes." (See the study by Purcell and Cavanagh, 1972, for a description of the social adjustment problems experienced by black employees in primary jobs.)

Wage Rates and Salaries

Some data show that adult men in the prime-age groups display a negative labor supply response to wage rate differences (Cohen, et al., 1970: 141). Older men also reduce their participation as income increases, and to a much greater extent than do prime-age men (Cohen, et al., 1970:145-146).

Bowen and Finegan (1965), however, report a positive relationship between labor force participation and income. In a study by Hill (1971:383), labor force participation was lower for poor family heads than for nonpoor family heads. He discovered that the most important determinant of the poor worker's allocation of time in the labor force, between employment and

the search for work, was the expected wage rate (Hill, 1969:21-25). That is to say, Hill's (1969:23) evidence suggests that "as the expected return from labor market activity increases, . . . the amount of search time decreases and the amount of work time either increases (for the Negro head) or remains about the same (for the white head)." It would appear that if one is limited to jobs in the secondary market, the cost of staying out of the labor market is not as great as it is for one who is giving up the opportunity for higher earnings. Consequently, the incentive to work would be less for the poor.

In his review of research findings, Fisher (1966:9) was puzzled to find a positive relation between income of male family heads and the labor force participation of teenagers in the family. This pattern does not seem logical in terms of the economic needs of the family unit. However, one explanation that Jacob Mincer suggested to Fisher was that "in the absence of an appropriate wage rate variable, the family income variable probably reflects market opportunities and 'qualities' of teenagers relevant to them (Fisher, 1966:9)." Another explanation is that in situations in which a teenager's earnings are deducted from a family's supplemental welfare payments, incentive to work is reduced. When fathers earn enough, this situation does not occur, so teenage work incentive increases.

Marriage

The responsibility of supporting a family would appear to provide an incentive for higher labor force participation. Indeed, labor force participation generally is higher for married than nonmarried males (Bowen and Finegan, 1966:573-575; Cohen, et al., 1970:144). (According to Orshansky,

1969, each family member increases a family's poverty threshold by about $500.)

Family Size

For the nonpoor, Hill (1971:383-387) found that family size is related to labor force participation in a positive direction and linear relationship. Family size seemed to be a more important explanatory variable for black than for white nonpoor heads. According to Hill, this difference may result because whites have more assets and capital income to substitute for additional labor force participation. For poor family heads (both white and black) labor force participation increased at a decreasing rate as the number of dependents increased. Hill's coefficients indicate that an additional dependent in a poor family leads to a larger increase in the poor head's labor force participation than it does for the nonpoor. Here again, the difference may be an indication that the poor have no capital income and few assets to use in place of labor income.

Income From Other Family Members and Other Sources

Cohen and associates (1970:143) found that the contribution to family income by other family members or from sources other than the worker's wages or salary (which they refer to as FILOW) exerts a negative effect on the labor force participation of adult men. However, the effect was greater for single than for married men. They also discovered that high FILOW reduced hours supplied by youths, with young Negroes decreasing their participation more than young whites did as FILOW moved from the low to middle categories. They report that "this finding is consistent with relative income hypothesis in that the middle income Negro may feel richer than a

middle income white because of the higher relative position attained within his community. Most earlier studies did not find a negative income effect on youth participation because of the lack of proper controls on other variables (Cohen, et al., 1970:143-144)."

Goodwin (1972:115-116), found that outer-city black families who had made it out of the ghetto, often were able to do so only because of the joint income of husband and wife. "The husbands, with only a tenth grade education on the average, are working at jobs that are not much different from those of men . . . still in the ghetto. The outer-city blacks, however, despite having a high level of insecurity common to poor blacks have stayed on their jobs. And most important, they have stayed married to women who on the average have an eleventh grade education and bring in almost 30 percent of the family income (Goodwin, 1972:116)."

Mexican-Americans have more children per family than Anglos and nonwhites, with the result that they have a lower income per person than nonwhites, even though nonwhite family heads have lower earnings than Mexican-Americans (Grebler, et al., 1970:15-17, 19-20).

Health

Obviously, poor health can be a barrier to employment -- the healthy worker is able to spend a maximum number of days on the job and is more likely to be an effective producer. Mushkin (1962:130) suggests that while there are many interrelations between the two, good health care, just like a good education, can be viewed as an investment, and that often the income return on investment in health is mistakenly attributed to educational attainment. Hill (1971:383) provides some evidence for the hypothesis that the inability to finance adequate health care is likely to cause the poor

to lose more time from work for reasons of ill health than the nonpoor. For both white and nonwhite male workers, health problems had a negative effect on the labor force participation of those in the poor category, while for nonpoor workers, health problems were not a significant independent determinant of labor force participation.

Housing

One's income and race are likely to determine the quality of his housing. However, housing, in turn, may have an influence on a worker's labor market success. Many studies have suggested that inadequate housing produces conditions that develop individuals with a negative orientation toward society (Rainwater, 1966; Stacey, 1972). (Stacey's study includes a recent review of the literature on the social impact of housing.) If poor housing helps to generate attitudes of social isolation, anomie, and powerlessness, it is likely to contribute indirectly to lower levels of labor force participation.

That blacks and Mexican-Americans more often live in inferior housing than Anglos is common knowledge. In the Southwest, Mexican-Americans frequently live in overcrowded, substandard housing units that are even worse than nonwhite housing (Grebler, et al., 1970:22-23). However, this is probably a consequence of the point made earlier, that Mexican-Americans average lowest in income per person in the family because of the larger number of children per family unit.

A study by Stacey (1972) of black residents in a southern metropolitan area found that a move from the slum areas to areas with better quality housing resulted in a better attitude toward society. If the move involved a change in tenure from renter to home owner a significant reduction in the feeling of powerlessness of the black male occurred, along with an improvement

in his social adjustment. It also appeared to result in more frequent participation in community affairs and a greater satisfaction with one's neighborhood.

On-the-Job-Training

General experience and specific on-the-job-training are viewed by some as important for raising a worker's marginal productivity (Becker, 1964; Mincer, 1962, 1971; Reder, 1969; Rosen, 1971; and Thurow, 1969), and increased productivity, theoretically, should help to raise a workers employability and income. It has been found that disadvantaged MDTA on-the-job trainees (white and black) will have a higher labor force participation rate than those disadvantaged without OJT (Mangum, 1968:96-97). They also show higher labor force participation than those who had MDTA institutional training (Mangum, 1968:96-97).

Doeringer and Piore (1971:200) argue that on-the-job training is more effective than institutional training because OJT gives the worker a direct link to a job. The structure of the internal labor market makes it difficult for workers outside the enterprise to gain direct access to many jobs utilizing skills they have been trained to perform (Doeringer and Piore, 1971:200). Unfortunately, it has been difficult to get more advantageous on-the-job training and work experience for disadvantaged workers (Cohn, 1971; Freedman, 1969; and Shelley, 1970). Separate promotion ladders for whites and nonwhites is often the case (Alexander, 1970:25). And on-the-job training does not increase the productivity nor the income of a disadvantaged worker if he continues to work in the secondary labor market (Gordon, 1971 and 1972:123-124).

Type of Industry

If one is going to examine the association of labor force participation and income levels with type of labor market (primary versus secondary), it is rather difficult to use major industrial categories, as conventionally defined, for predictors. As Gordon (1972) suggests, labor market variations within industries in terms of corporate size and power may be more important than variations between major industrial categories. Unionization may also be an important characteristic that accounts for differences within and between industries. However, whether the industry is private or a governmental service is sometimes an important determinant of the incomes of black workers. For example, the Census Employment Survey data for the St. Louis and Kansas City poverty areas show that the annual wage and salary earnings of year-round wage and salary workers on full-time schedules is highest (median level) for blacks in the "all other government services" major industry group category (U.S. Bureau of the Census, 1972a).

Job-Seeking Methods

It appears that some disadvantages are not a product per se of one's background or skills, but, instead, result from informational imperfections (McCall, 1970) and using ineffective job-seeking methods. A study by Sheppard and Belitsky (1966) suggests that unemployed blue-collar workers who ask friends and relatives as their principal job-seeking method are most successful at finding a new job. (See Schwartzweller, et al., 1971). for a description of this process with respect to rural-to-urban migrants from Appalachia.) Unions ranked second in effectiveness, but the number using them to obtain jobs was small. The Employment Service and direct application to the company followed in ranking, but they were far less

effective than using friends and relatives. Checking newspapers as a principal job-seeking method was found to be least effective of the major job-seeking techniques.

Negroes used friends and relatives more than whites did in the Sheppard and Belitsky study. Blacks also used welfare and similar organizations more frequently than did whites.

Some argue, however, that black unemployment does not result at all from a lack of information about jobs. Instead, a realistic appraisal of the paucity of actual opportunities effectively limits the search of a majority of Negroes (Gordon, 1972; Kidder, 1968).

Doeringer and his associates (1969) concluded from their Boston study that the neighborhood job information and referral centers were providing the disadvantaged with information they were already getting through "informal" channels, and therefore were not improving the unemployment prospects of those in the ghetto.

MDTA-Institutional Training

An institutional training program was initiated by the Manpower Deve;opment Training Act of 1962 to assist workers who had been displaced by technological change. In time, however, it was altered to serve those who were disadvantaged and who would be able to benefit from training (Twentieth Century Fund:116-117).

The program has been able to help some groups more than others. For example, institutional training has generally lead to higher labor force participation and income levels for whites than for nonwhites (Gurin, 1970: Table 51; Levitan and Mangum, 1967:Part 2; Mangum, 1968:93-104).

Sometimes those who had higher income levels before becoming unemployed and being retrained showed a decrease in income immediately after training because they started at the bottom of the ladder in the new job (Mangum, 1968:102).

Some have argued that MDTA institutional training has had no direct effect on raising wages (Main, 1968), occupational status (Doeringer, et al., 1969; Harrison, 1972), or labor force participation (Thurow, 1968). For example, there is evidence that participants in the programs are a select group -- the cream of the unemployed -- and therefore are more likely to show success anyway (Somers, 1968). Solie (1968:225) sees the main benefit of training as facilitating a rapid return to gainful employment rather than upgrading the employment level. In other words, its main function is as a screening device.[3]

Doeringer and his colleagues (1969) found in a study of some of the programs in Boston that training was most successful when the program was directly tied to a specific job upon graduation.

Job Corps

In contrast to the MDTA institutional program, the Job Corps, initiated by the Economic Opportunity Act of 1964, has focused on a much more disadvantaged clientele. According to Levitan and Taggart (Twentieth Century Fund, 1971:118), "follow-up studies suggest that gains in earnings of former enrollees (white and black) were slight in comparison with a control group and that the incidence of unemployment among the blacks was not noticeably affected by the Job Corps experience."

Neighborhood Youth Corps (NYC)

The Neighborhood Youth Corps, which also was initiated under the Economic Opportunity Act of 1964, is an attempt to provide work for sixteen and seventeen year old dropouts or youth without jobs for the summer who come from poor families. In the past, particularly for the young men, these jobs generally have been in the public or nonprofit sector, menial and unattractive, at low wages, with few opportunities for advancement, and with little basic education provided to improve the employability of the participants (Twentieth Century Fund, 1971:119-123). There is little evidence that these NYC programs contribute significantly to increasing the employability of the participants. This is not surprising, however, since the main goal of this program has been "to keep youths off the street until opportunities or responsibilities increase with age (Twentieth Century Fund, 1971:123)." Thus, it is not likely that this program would lead to higher income or labor force participation for participants over nonparticipants.

Welfare

The operation of the welfare system in a city is likely to have an important influence on the labor force participation and income levels of the ghetto population. Public assistance is not always a permanent, complete condition of dependency, year in and year out. Workers may receive assistance in some months of the year and work in other months. Or they may be working openly or covertly while still on welfare. The income from welfare often functions as a form of wage supplementation for secondary workers who might not be willing to accept unattractive, unstable, low-paying jobs if this form of public subsidy were not available.

Of course, some of the welfare income available to a worker may come

indirectly through another person. A male worker may not be officially attached to a welfare family and yet derive substantial support from a welfare mother.

The typical "rate" of welfare income in the United States is quite low. Quoting statistics from a U.S. Office of Economic Opportunity Report (1969), Harrison (1972:139) reports that "in 1966, of the 3.1 million people who received public assistance, only 304,000 (less than 10 percent) were in families (cases) receiving more than $2,000 during the entire year; only 834,000 (a quarter of the total) received more than $1,000."

The size of the payments varies considerably, however, from city to city. Friedlander (1972:112) found that cities that had high welfare payments had relatively low rates of unemployment in their slum areas in 1966. He believes that higher welfare payments have a tendency to stimulate more slum residents to drop out of the labor force in order to receive welfare, and therefore the level of unemployment is reduced. Often the financial reward from toil in a secondary job after taxes and work-related expenses is not much more than the return from welfare payments. So it is not surprising that labor force participation is sensitive to variations in the welfare "rate."

Welfare and Federal Training Programs

A marginal worker may participate in one of the federal training programs which pay stipends in order to get funds to keep going through a period of unemployment. Some men go from one training program to another rather than permanently into the work force. Consequently, public training programs often function as a combination of concealed income transfer and public employment. Harrison (1972:143) argues that this is because

"employers in the primary market will, for the most part, simply not hire the poor, regardless of the quality of the training they acquire, while secondary employers--having no choice, and no pressing need for skilled labor--will hire them whether they have had training or not."

Illegal Activity

The environment of the ghetto dweller abounds with illegal employment opportunities. Many disadvantaged workers view unlawful work as an attractive alternative to unemployment or secondary jobs. As a result, many limit or give up the quest for and participation in regular employment.

Drawing upon a study by Phillips, Votey, and Maxwell (1969), Harrison (1972:145) reports that labor force participation rates and arrest rates for "economic" crimes committed by black men were strongly inversely related in the country as a whole over the period 1952-67. In a study of the nation's thirty largest cities, Friedlander (1972:94) found that in 1960 and again in 1966 the more property crime, the lower the nonwhite unemployment rate (only the 1966 correlation was statistically significant). Moreover, the unemployment rates for sixteen slum areas in eleven of these largest cities in 1966 correlated negatively with the cities' property crime rates (Friedlander, 1972:114). Friedlander's field interviews reinforced the conclusions suggested by his ecological correlations that income generated by criminal activity allows a number of people not to "work" and not to be counted in the labor force.

According to Friedlander (1972:113) "crime and hustling can provide higher incomes, more status and prestige, more exciting work, and better hours and working conditions than the low-wage casual sectors." Harrison (1972:144) argues, however, that the annual income from criminal activity

is still relatively low for all but a very few professional criminals because the high risk involved leads to the same kind of discontinuous work patterns that are found in the secondary labor market.

Summary and Hypotheses

This review of the literature indicates that advances have been made in our knowledge about a number of situational dimensions that can affect the income and labor market activity of disadvantaged workers. Moreover, considerable insight has been gained about the impact various manpower programs have had in improving the plight of the poor. However, we need to learn much more about the forces that make it possible for some workers to break out of the cycle of poverty while others remain at the bottom.

The problem with most of the studies on this topic is that each has provided knowledge about only segments of the total process of "cumulative disadvantage." Because there are so many possible situational factors, often varying simultaneously and in subtly interconnected ways, social scientists generally have made theoretical and statistical controls on many of them in order to make the research process more manageable. As a result, most of the findings concentrate on two and three variable relationships without showing how they are related into an organic whole. In other words, how do all of the situational conditions together become organized within the role of the individual worker?

Any single trait of a disadvantaged worker can potentially mean any number of things, depending on how it is acted upon by other factors. For example, how much a worker participates in the labor force depends, in part, upon his educational level. But the relative influence of a particular level of education on labor force participation depends, in turn, on a variety of

other factors such as the worker's age, and whether he is black, Mexican-American, or an Anglo. Furthermore, the educational level that is achieved by the worker in the first place is determined by various antecedent conditions such as paternal occupation, size of the family of origin, and residential background. In addition, some variables may be substitutes for one another with respect to their impact on a worker's success. Thus, some workers may increase their incomes because of MDTA-institutional training while others may do so through on-the-job training, or through more effective job-seeking methods.

Studies are needed that will attempt to synthesize the hypotheses presented in the review of the literature (briefly summarized in Table 1) by looking at the strengths and patterns of empirical relationships that form when all of the situational variables that were included in the preceding review are analyzed simultaneously. Most statistical analyses of poverty populations have attempted to find the variables important to the total population. Little direct effort has been made, however, to discover if different combinations of variables are important for different subgroups of workers in poverty areas. That is to say, the main effects of a variable are not necessarily the same or even present for workers at every level of income and labor force participation. Or, some variables may not show up as important with respect to the sample as a whole, and yet be very powerful predictors for a particular subgroup.

Previous research has already provided some examples of these kinds of statistical interaction effects. More studies are needed, however, that will systematically attempt to uncover the various networks of situational conditions that cause inefficient utilization of the inner-city's manpower.

Table 1. Hypothesized Relationships of Independent Variables with Labor Force Participation and Income of Poverty Area Workers.

Independent Variable	Labor Force Participation	Income
Rural vs. Urban Background	Urban background higher	Urban background higher
Race-Ethnicity (blacks, Mexican-Americans, Anglos)	Nonpoor whites higher than nonpoor blacks; poor whites lower than poor blacks	Whites higher than blacks
	Anglos higher than Mex.-Am.	Anglos higher than Mex.-Am.
	Mex.-Am. higher than blacks	Mex.-Am. higher than blacks
Education & Race-Ethnicity	Positive relation for non-poor whites & nonwhites	Positive relation for whites
	Weak positive relation for poor whites	Low or insignificant returns for blacks (except college educated)
	No relationship for poor nonwhites	Positive relation for Mex.-Am.; gains higher than for blacks but lower than for Anglos
Education & Dual Labor Market		No relationship for workers in secondary jobs
Age	Lower for youths and older men than for prime-age workers	Lower for youths and older men than for prime-age workers
Education and Age	Positive relation for youths	
	Weak positive relation for prime-age workers	
	Positive relation for older men	
Educational Level of Wife	Positive relation for whites	
	No relationship for blacks	
Wage Rates and Salaries	Positive relation (Evidence is mixed, however, as some groups studied have shown negative relationships, especially for the older men.)	
	Positive relation between income of male family heads and labor force participation of teenagers in family	

Table 1 -- Continued

Independent Variable	Labor Force Participation	Income
Marriage	Higher for married than non-married males	
Family Size	Positive relation--stronger for black and poor family heads	Mexican-Americans have more children per family than Anglos and nonwhites, with result that they have a lower income per person than nonwhites, even though nonwhite family heads have lower earnings than Mexican-Americans
Income from other Family Members or from Sources other than the Worker's Wages or Salaries	Negative relationship, but greater for single than for married men	
Health Problems	Negative relationship for poor, but not significant for non-poor	
Overcrowded, Substandard Housing	Negative relation	Negative relation
Home Ownership	Positive relation	Positive relation
Type of Industry		Higher for blacks in "all other government services" category
Principal Job-Seeking Method	Asking friends and relatives associated with higher participation, checking newspapers associated with low-participation	
MDTA Institutional Training	Leads to higher participation for whites than for nonwhites	Leads to higher income for whites than for nonwhites Decrease in income immediately following training for those who had high income levels before becoming unemployed and being retrained
Job Corps	No relationship for blacks Positive relationship for whites	Slight income gains
Neighborhood Youth Corps	No relationship	No relationship

Table 1. Continued

Independent Variable	Labor Force Participation	Income
On-the-Job Training	Positive relation for disadvantaged workers except those who continue to work in the secondary labor market	Positive relation for disadvantaged workers except those who continue to work in the secondary labor market
	Disadvantaged MDTA on-the-job trainees show higher participation than those who had MDTA-institutional training	
Welfare	Low, of course, but often not zero. Many individuals receive welfare only some months of the year and work in other months. Some work while still on welfare. The higher the welfare payments, the lower the labor force participation in slum areas.	Extremely low for those on welfare. Secondary workers' willingness to accept jobs paying low wages appears to depend upon the availability of some supplemental income from welfare.
Federal Manpower Training Programs When Functioning as a Combination of Concealed Income Transfer and Public Employment	Low	Low
Illegal Activity	Low for illegal employment; discontinuous work patterns, as in the legal secondary labor market.	Annual illegal income low for all but a very few professional criminals. It may still be higher, however than annual income from secondary jobs.
	Lowers legal employment. The higher the participation in illegal activity, the lower the participation in the legal labor force.	The higher the income from illegal activity, the lower the income from legitimate jobs.

FOOTNOTES

[1]For a critical assessment of the conceptual and empirical status of this approach see Leacock (1971).

[2]For a summary and discussion of dual labor market theory see Gordon (1972: Chapter 4).

[3]See Hammermest (1971), Page (1968), Solie (1968), Somers (1968), and Mangum (1967) for serious questions raised about the relevance of early studies that seemed to show in cost-benefit terms that training was successful. See Sewell (1967), Ribich (1968), Mills (1968) and Goldfarb (1970) for methodological questions about the usefulness of cost-benefit analysis for these purposes. See Wachtel (1971) and Harrison (1972) for political factors which may underlie some of the ineffectiveness of institutional training programs in raising incomes.

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